

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 04190 291316Z

51

ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 FEA-02 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03

INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 IO-14

AS-01 PA-04 PRS-01 USIA-15 DRC-01 /210 W

----- 062281

R 291250Z SEP 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 1064

INFO AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY TEHRAN

USMISSION OECD PARIS

C O N F I D E N T I A L KUWAIT 4190

DEPT PASS OPEC/OECD CAPITALS

EO 11652: GDS

TAGS: ENRG KU

SUBJ: ENERGY COSTS AND WORLD ECONOMY

1. I CALLED ON MINFINANCE AND OIL ATEEQI SEPT 28 TO TELL HIM
I WANTED TOUCH BASE ON NUMBER OF ITEMS PRIOR TO RETURN TO
WASHINGTON ON CONSULTATIONS. SUBJECTS DISCUSSED FOLLOW IN THIS
AND SEPTELS. ATEEQI ASKED HIS KEY SUBORDINATE FOR OIL
AND ECONOMICS, SHAIKH ALI KHALIFA, TO SIT IN TOO.

2. PRESIDENT FORD'S AND SECRETARY'S SPEECHES, AND SECRETARY
SIMON'S REMARKS, ON CURRENT ENERGY PRICES AND STATUS OF WORLD
ECONOMY: I TOLD ATEEQI AND ALI KHALIFA I COULD NOT SEE HOW ANY
REASONABLE MAN COULD TAKE EXCEPTION TO EXPRESSIONS OF DEEP
CONCERN BY TOP-LEVEL OFFICIALS OF GREAT POWER WITH GLOBAL
RESPONSIBILITIES OVER PRESENT PRECARIOUS STATE OF ECONOMY OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 04190 291316Z

MANY NATIONS THROUGHOUT WORLD; AND STRONG STATEMENTS BY THESE

MEN OF WHAT THEY BELIEVED NEEDED TO BE DONE TO REVERSE HEAD-LONG DASH TO DISASTER. US STATEMENTS OBVIOUSLY DESIGNED TO WAKE WORLD UP TO SITUATION ALREADY UPON US AND, FAR FROM INVITING CONFRONTATION, CALLED FOR COOPERATION OF THOSE IN POSITION TO INFLUENCE THIS DANGEROUS SITUATION. OIL PRODUCERS WERE OBVIOUSLY AT CENTER STAGE, LIKE IT OR NOT. SEEN IN PROPER LIGHT, I SAID, SPEECHES CALLED FOR EXACTLY WHAT ATEEQI WANTED: DOWN-TO-EARTH DIALOGUE BETWEEN CONSUMERS AND PRODUCERS TO SEEK MEANS OF CONQUERING EXCESSIVE COSTS OF EVERYTHING MAN NEEDS TO LIVE DECENT LIFE.

3. ATEEQI REPLIED HE WANTED MAKE CLEAR HIS RECENT COMMENTS TO PRESS CRITICIZING CONSUMER COOPERATION APPLIED ONLY TO INTEGRATED EMERGENCY PROGRAM (IEP). HE FELT IEP ARRANGEMENTS AS PRESENTED IN PUBLIC TO WORLD (E.G. REFERENCES TO FUTURE EMBARGOES, IMPLICATIONS THAT TARGET WAS ARAB OIL PRODUCERS, ETC) SMACKED OF CONFRONTATION; AND HE HAD ADMITTEDLY STATED HIS BELIEF ARRANGEMENTS DESIGNED FOR SUCH PURPOSES WOULD BE COUNTERPRODUCTIVE. ATEEQI SAID HE WANTED ME KNOW HE HAD BEEN INUNDATED WITH QUESTIONS BY REPORTERS DEMANDING TO KNOW HIS REACTION TO FORD AND KISSINGER SPEECHES. HE HAD REFUSED COMMENT, HE SAID, ON GROUNDS IT INAPPROPRIATE FOR CABINET MINISTER TO COMMENT ON SPEECH BY CHIEF OF STATE OF FRIENDLY POWER, AND, IN CASE OF SECRETARY OF STATE , HIS COUNTERPART (KUWAITI FONMIN SABAH) WAS IN NEW YORK; AND ANY REACTION ON BEHALF OF KUWAIT WOULD COME MORE APPROPRIATELY FROM HIM. ATEEQI AND ALI KHALIFA SAID THEY WOULD REAFFIRM AS MANY TIMES AS NECESSARY KUWAIT'S READINESS PARTICIPATE IN STUDY OF WORLD INFLATION PROBLEMS; BUT UNTIL THIS STUDY INITIATED, OIL PRODUCERS FELT THEMSELVES UNFAIRLY, AND UNJUSTIFIABLY FROM TECHNICAL ECONOMIC VIEWPOINT AS WELL, SINGLED OUT AS INFLATION'S BUG-BEAR.

4. ATEEQI AND ALI KHALIFA BOTH AGAIN WELCOMED VISIT TO KUWAIT BY TREASURY EXPERTS END OF OCTOBER FOR FURTHER DISCUSSIONS OF WHOLE SUBJECT OF ENERGY AND ITS COSTS. WE PROPOSING SCHEDULE FOR VISIT IN SEPTTEL.
STOLTZFUS

NOTE BY OC/T: NOT PASSED OPEC/OECD CAPITALS.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 04190 291316Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, INFLATION, FINANCIAL STABILITY, PRICES, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT04190
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740274-1144
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974094/aaaaaddo.tel
Line Count: 106
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 02 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 MAY 2002 by ifshinsr>; APPROVED <07 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY COSTS AND WORLD ECONOMY
TAGS: ENRG, KU, XX, (ATIQI), (STOLTZFUS, WILLIAM A JR)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005